



Committee On Finance

Max Baucus, Ranking Member

NEWS RELEASE

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BAUCUS ANNOUNCES PLAN TO HELP REBUILD TSUNAMI DAMAGE

Senator Proposes Extending Tax Deductions For Contributions To Relief Effort

(WASHINGTON, D.C.) Today, Senator Max Baucus, Ranking Member of the Senate Finance Committee, was joined by Chairman Charles Grassley in announcing a plan that would extend the period of time Americans can make charitable donations in order to assist victims of the devastating earthquake and tsunami that hit Southeast Asia on December 26. The tax proposal comes a day after the announcement of the President's appointment of former President Clinton and his father, President Bush to lead a massive fundraising drive for the disaster.

Under this proposal, taxpayers would be permitted to claim a tax deduction in tax year 2004 for donations made for tsunami disaster relief until January 31, 2005. Under current law, taxpayers would have to wait until next year's filing season to claim a tax deduction for tsunami related gifts made after December 31, 2004. The proposal would be limited to cash gifts made specifically for disaster relief.

"The American people are the most generous in the world, and have helped preserve America's image as a benevolent and compassionate superpower," Baucus said. "That is why I want to give Americans an even greater incentive to give during the next month. This proposal allows American companies and individuals to receive their deduction now rather than having to wait next year to claim it."

This tax proposal will give Americans an added incentive to donate immediately and provide relief organizations with cash support.

Mr. Charles J. Lyons is the president of the U.S. Fund for UNICEF (the United Nations Children's Fund), the entity that collects donations from Americans for relief efforts around the world. He said Senators Baucus and Grassley's bill will help encourage more people to make needed contributions to the relief effort.

"This act of leadership will encourage more public support and result in more people being helped," said Lyons, who is based in New York. "For the smallest survivors of the tsunami, a second catastrophe is looming - disease, hunger, and homelessness now threaten millions, especially children. UNICEF is focused on providing care and protecting the affected children, and we are grateful to Congress for opening the doors wide to increase assistance."

According to recent news reports, over 155,000 people have perished from Malaysia to East Africa due to the effects of the earthquake and tsunami that have affected the region,

making the urgent need for donations much greater, Baucus and Grassley noted. Many relief organizations have asked for donations of cash which save money by eliminating shipping costs to transport goods from the U.S. and allows cash to flow into local economies stimulating growth.

Grassley said, “Americans are giving generously to tsunami relief, as they did after Sept. 11. I hope this extension will encourage them to give even more. As they do, I hope they’ll make sure the charities they choose match their good intentions. Inevitably some con artists will try to turn this tragedy into a profit-making venture. Instead of falling victim to opportunists, Americans should consider the many good sources of information about legitimate charities. For example, the Better Business Bureau Wise Giving Alliance and GuideStar both have resources online to guide donors. A little research can go a long way toward stopping crooks in their tracks.”

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